

BANK OF AMERICA, N.A.

Release of Deed of Trust

STATE OF TEXAS
COUNTY OF HARRIS

Know All Men By These Presents that NationsBank NKA Bank of America, N.A. in County of Harris, State of Texas, the legal and equitable owner and holder of that one certain promissory note in the original principal sum of Four Million Five Hundred Thousand DOLLARS (U.S.\$4,500,000.00) dated January 10, 1996 executed by Kenneth L. Lay and Linda P. Lay, his wife, payable to the order of NationsBank more fully described in a certain Deed of Trust, duly recorded in Book Page , File Number T753144, of the Real Property Records of Harris County, Texas, said note being secured by Deed of Trust against the following described property, to-wit:

See Attached Exhibit "A"

For and in consideration of the full and final payment of all indebtedness secured by the aforesaid lien or liens, the receipt of which is hereby acknowledged, has released and discharged, and by these presents hereby releases and discharges, the above described property from all liens held by NationsBank NKA Bank of America, N.A. securing said indebtedness.

Executed this 10th day of January, 2002.

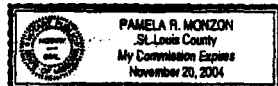
Bank of America
NKA Bank of America, N.A.

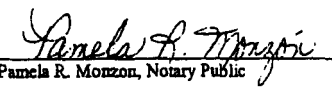
By:  Teresa C. James, Assistant Vice President

STATE OF MISSOURI
CITY OF ST. LOUIS

BEFORE ME, the undersigned authority, on this day personally appeared Teresa C. James, Assistant Vice President of Bank of America, N.A., known to me to be the person and officer whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, and as the act and deed of said association, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10th day of January, 2002.




Pamela R. Monzon, Notary Public

My Commission Expires:

AFTER FILING PLEASE RETURN TO:

Bank of America, N.A.
Commercial Loan Administration
ATTN: Bobbie Free
910 North 11th St.
St. Louis, MO 63101

GOVERNMENT
EXHIBIT
14006
Crim No. H-04-0025

BOA / FBI / LAY: 13018

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The following described apartment unit and an undivided interest in the Common Elements, located in and being part of THE HUNTINGDON, a Condominium Regime in Harris County, Texas, according to the First Amendment And Restated Declaration Of Condominium Of The Huntingdon and the Survey Plats, Exhibits and By-Laws attached thereto, recorded under Film Code No. 168009 and amended by instruments recorded under Film Code Nos. 168091, 168104 and 169002, all of the Condominium Records of Harris County, Texas. L

- (a) Residential Unit 33, on the 33rd Floor;
- (b) an undivided 0.03078 percent interest in and to the General Common Elements of said Condominium project;
- (c) together with use of the following Limited Common Elements:
 - (1) Parking Space Nos. 30, 32, 34, 130, 134, 137, 140 and 301;
 - (2) Storage Space Nos. 14, 131, 132 and 133;

which has the address of 2121 Kirby Drive, 33rd Floor, Houston, Texas 77019 ("Property Address");

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J51 Aus-22003-371-2-007CT
CHARTER TITLE COMPANY
95070259 CH
R753144

AFTER RECORDING, RETURN TO:

Ms. Lynne Meinecke
NationsBank of Texas, N.A.
700 Louisiana (77002)
P. O. Box 2518
Houston, Texas 77252-2518

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CLINTON CLEPK
HARRIS COUNTY, TEXAS

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DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on January 10, 1996. The grantor is KENNETH L. LAY and LINDA P. LAY, husband and wife ("Borrower"). The trustee is MICHAEL F. HORD, whose address is 68th Floor, 901 Main Street, Dallas, Dallas County, Texas 75202 ("Trustee"). The beneficiary is NATIONS BANK OF TEXAS, N.A., a national banking association which is organized and existing under the laws of the United States of America, and whose address is 700 Louisiana (77002), P. O. Box 2518, Houston, Harris County, Texas 77252-2518 ("Lender"). Borrower owes Lender the principal sum of FOUR MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (U.S. \$4,500,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid, earlier, due and payable on JANUARY 1, 2011. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in HARRIS County, Texas:

The following described apartment unit and an undivided interest in the Common Elements, located in and being part of THE HUNTINGDON, a Condominium Regime in Harris County, Texas, according to the First Amendment And Restated Declaration Of Condominium Of The Huntingdon and the Survey Plats, Exhibits and By-Laws attached thereto, recorded under Film Code No. 168009 and amended by instruments recorded under Film Code Nos. 168091, 168104 and 169002, all of the Condominium Records of Harris County, Texas.

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- (b) an undivided 0.03078 percent interest in and to the General Common Elements of said Condominium project;
- (c) together with use of the following Limited Common Elements:
 - (1) Parking Space Nos. 30, 32, 34, 130, 134, 137, 140 and 301;
 - (2) Storage Space Nos. 14, 131, 132 and 133;

which has the address of 2121 Kirby Drive, 33rd Floor, Houston, Texas 77019 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for:
 - (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property;

HOLD-CHARTER TITLE

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(b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall

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not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agents may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, as its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other

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Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. This notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payment due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will result in acceleration of the sums secured by this Security Instrument and sale of the Property. The

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notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender or Trustee shall give notice of the time, place and terms of sale by posting and recording the notice at least 21 days prior to sale as provided by applicable law. Lender shall mail a copy of the notice of sale to Borrower in the manner prescribed by applicable law. Sale shall be made at public venue between the hours of 10 a.m. and 4 p.m. on the first Tuesday of the month. Borrower authorizes Trustee to sell the Property to the highest bidder for cash in one or more parcels and in any order Trustee determines. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying indefeasible title to the Property with covenants of general warranty. Borrower covenants and agree to defend generally the purchaser's title to the Property against all claims and demands. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Property is sold pursuant to this paragraph 21, Borrower or any person holding possession of the Property through Borrower shall immediately surrender possession of the Property to the purchaser at that sale. If possession is not surrendered, Borrower or such person shall be a tenant at sufferance and may be removed by writ of possession.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

23. Substitute Trustee. Lender, at its option and with or without cause, may from time to time remove Trustee and appoint, by power of attorney or otherwise, a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. Subrogation. Any of the proceeds of the Note used to take up outstanding liens against all or any part of the Property have been advanced by Lender at Borrower's request and upon Borrower's representation that such amounts are due and are secured by valid liens against the Property. Lender shall be subrogated to any and all rights, superior titles, liens and equities owned or claimed by any owner or holder of any outstanding liens and debts, regardless of whether said liens or debts are acquired by Lender by assignment or are released by the holder thereof upon payment.

25. Partial Invalidity. In the event any portion of the sums intended to be secured by this Security Instrument cannot be lawfully secured hereby, payments in reduction of such sums shall be applied first to those portions not secured hereby.

26. Waiver of Notice of Intention to Accelerate. Borrower waives the right to notice of intention to require immediate payment in full of all sums secured by this Security Instrument except as provided in paragraph 21.

27. Riders to this Security Instrument. The covenants and agreements of the Condominium Rider, the Construction Loan Rider to Security Instrument and Security Agreement and the Custom Mortgage Rider attached to and recorded with this Security Instrument shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the riders were a part of this Security Instrument.

28. Purchase Money; Vendor's Lien; Renewal and Extension. The Note secured hereby is in renewal and extension, but not in extinguishment, of that indebtedness described on the Renewal and Extension Addendum attached hereto and made a part hereof for all purposes.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.


KENNETH L. LAY

(Seal)
- Borrower


LINDA R. LAY

(Seal)
- Borrower

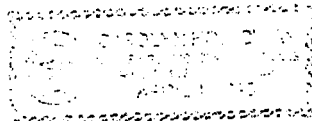
[Space Below This Line for Acknowledgment]

STATE OF TEXAS,

HARRIS County ss:

BEFORE ME, the undersigned, a Notary Public in and for said County and State, on this day personally appeared KENNETH L. LAY and LINDA P. LAY, husband and wife, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 10 day of January, 1996.




Carol Holloway
Notary Public - State of Texas

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 10th day of January, 1996, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to NationsBank of Texas, N.A., a national banking association (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

2121 Kirby Drive, 33rd Floor, Houston, Texas 77019

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

The Huntingdon

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Deed of Trust, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Deed of Trust as provided in Uniform Covenant 10.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

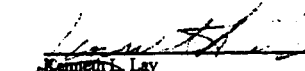
(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

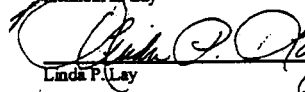
(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

 (Seal)
Kenneth L. Lay -Borrower

 (Seal)
Linda P. Lay -Borrower

506-86-1819

**CONSTRUCTION LOAN RIDER TO SECURITY INSTRUMENT
AND SECURITY AGREEMENT**

THIS CONSTRUCTION LOAN RIDER TO SECURITY INSTRUMENT AND SECURITY AGREEMENT is made this 10th day of January, 1996, and is incorporated into and shall be deemed to amend and supplement the Deed of Trust ("Security Instrument") of the same date given by the undersigned, KENNETH L. LAY AND LINDA P. LAY ("Borrower") to secure Borrower's Note (the "Note") to NATIONSBANK OF TEXAS, N.A., a national banking association ("Lender") of the same date and covering the property described in the Security Instrument (the "Property") and located at: 2121 Kirby Drive, 33rd Floor, Houston, Harris County, Texas 77019.

ADDITIONAL COVENANTS

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INCORPORATION OF CONSTRUCTION LOAN AGREEMENT

Lender and Borrower entered into a Construction Loan Agreement this same date (the "Agreement"). The Agreement is incorporated herein by reference. Default under the terms of the Agreement shall be default under the terms of the Security Instrument, which default entitles the Lender to accelerate the maturity of the Note and to exercise all available remedies.

B. CONTRACT FOR IMPROVEMENTS

Borrower and C. C. ROUSE BUILDING CORPORATION, DOING BUSINESS AS TYNES SPARKS BUILDING CORPORATION (the "Contractor") have entered into Contract for Improvements (With Transfer of Lien) dated January 10, 1996, which describes certain improvements to be made to the Property. Under the Contract for Improvements, Borrower granted a first and valid lien on the Property to Contractor in accordance with the laws and constitution of the State of Texas, which lien Contractor has assigned to Lender. The Note secured by the Security Instrument shall be used to pay for the improvements to be made by Contractor pursuant to the Contract for Improvements. The Contract for Improvements is filed or will be filed for record in the Office of the County Clerk of Harris County, Texas.

C. FUTURE ADVANCES

The Security Instrument is given wholly or partly to secure future obligations that may be incurred under the Note. The face amount of obligations evidenced by the Note and secured by the Security Instrument is \$4,500,000.00, and the maximum amount, including present as well as future advances evidenced by the Note, that may be secured by the Security Instrument at any one time shall not exceed the face amount of the Note. Provided, however, the said maximum amount may be increased by such additional amounts as may be advanced by Lender pursuant to the Security Instrument and all such additional amounts shall be deemed necessary expenditures for the protection of the security in accordance with and to the extent allowed by Texas law. Future advances evidenced by the Note shall be made as provided in the Agreement. Borrower and Lender have not contracted to require written notation or evidence of each future advance to be made under the Note.

D. ACKNOWLEDGMENT

Borrower hereby acknowledges that the Contract for Improvements and the liens created thereby constitute valid and subsisting liens on the Property, and that none of the rights and liens existing thereunder shall be impaired or released hereby, and the same as supplemented hereby shall remain in full force and effect, and that all rights and liens existing and to exist thereunder are renewed, extended, carried forward, and conveyed, and are not extinguished hereby, to secure all of the indebtedness hereinabove mentioned.

E. SECURITY AGREEMENT

Without limiting any of the provisions of the Security Instrument, Borrower, as Debtor (and being referred to in this paragraph as "Debtor," whether one or more), expressly GRANTS unto Lender, as Secured Party (and being referred to in this paragraph as "Secured Party," whether one or more), a security interest in the following described property (including both those now and those hereafter existing) (collectively, "Collateral") to the full extent that such properties may be subject to the Uniform Commercial Code-Secured Transactions (Chapter 9 of the Texas Business & Commerce Code, as amended) (the "Texas UCC"):

- (1) To the extent owned by Debtor, Debtor's successors and assigns, all fixtures, goods, furnishings, equipment, building material, machinery, and personal property now or hereafter located in, on, or used or intended to be used in connection with the Property, including without limitation: doors, partitions; window and floor coverings; apparatus, material, or equipment for supplying, holding, or distributing heating, cooling, electricity, gas, water, air, and lighting; security, access control, and fire prevention and extinguishing apparatus, material, or equipment; household appliances; bathroom and kitchen fixtures; cabinetry; and landscaping (collectively, "Fixtures and Personal Property").

506-86-1820

- (2) All proceeds on sums payable in lieu of or as compensation for the loss of or damage to the Property and the Fixtures and Personal Property, and all rights in and to all present and future fire and hazard insurance policies.
- (3) All proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking, in whole or in part, of the Property, or for conveyance in lieu thereof.
- (4) All of Debtor's interest and rights, as lessor, in and to all leases now or hereafter affecting the Property, and all rental income payable thereunder or otherwise.
- (5) All bonds, deposits, letters of credit, and any other sums at any time credited by or due from Secured Party to Debtor or any guarantor, co-maker, or surety of Debtor, and held by Secured Party.
- (6) Any replacements, additions, or betterments to, or proceeds of, the collateral described hereinabove, the sale or distribution of which is not authorized hereby.

In this regard, Debtor and Secured Party further covenant and agree as follows:

1. In addition to any other remedies granted in the Security Instrument to Secured Party or Trustee, Secured Party may in the event of default, proceed under the Texas UCC as to all or any part of the Collateral, and shall have and may exercise with respect to the Collateral all the rights, remedies, and powers of a secured party under the Texas UCC, including without limitation the right and power to sell at public or private sale or otherwise dispose of, lease, or utilize the Collateral, or any part or parts thereof, in any manner authorized or permitted under the Texas UCC after default by a debtor and to apply the proceeds thereof toward payment of any costs, expenses, reasonable attorneys' fees, and legal expenses thereby incurred by Secured Party and toward payment of indebtedness described in the Security Instrument in such order or manner as Secured Party may elect.
2. Among the rights of Secured Party in the event of default and without limitation, Secured Party shall have the right to take possession of the Collateral and to enter upon any premises upon which the Collateral may be situated for such purpose without being deemed guilty of trespass and without liability for damages thereby occasioned and to take any action deemed necessary, appropriate, or desirable by Secured Party, at its option and in its sole discretion, to repair, refurbish, or otherwise prepare the Collateral for sale, lease, or other use or disposition as herein authorized.
3. To the extent permitted by law, Debtor expressly waives any notice of sale or other disposition of the Collateral and any other rights or remedies of a debtor or formalities prescribed by law relative to sale or disposition of the Collateral or exercise of any other right or remedy of Secured Party existing after default hereunder; and to the extent any such notice is required and cannot be waived, Debtor agrees that if such is mailed, postage prepaid, to Debtor at the address shown herein at least ten (10) days before the time of the sale or disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving of such notice.
4. After default, Secured Party is expressly granted the right, at its option, to transfer, at any time to itself or to its nominee, the Collateral and any part thereof and to receive the monies, income, proceeds, or benefits attributable or accruing thereto and to hold the same as security for amounts owing on any of the indebtedness, whether or not then due, in such manner as Secured Party may elect. All rights to marshalling of assets of Debtor, including any such right with respect to the Collateral, are hereby waived.
5. All recitals in any instrument of assignment or any other instrument executed by Secured Party or by Trustee incident to sale, transfer, assignment, lease or other disposition or utilization of the Collateral or any part thereof hereunder shall be requisite to establish full legal propriety of the sale or other action of any fact, condition, or thing incident thereto, and all prerequisites of such sale or other action and of any fact, condition, or thing incident thereto shall be presumed conclusively to have been performed or to have occurred.
6. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. All expenses of retaking, holding, preparing for sale, lease, or other use or disposition, selling, leasing, or otherwise using or disposing of the Collateral and the like hereunder, including also all reasonable attorneys' fees, legal expenses, and costs, shall be added to the indebtedness secured by the Security Instrument and Debtor shall be liable therefor.
7. Certain of the Collateral is or will become "fixtures" (as that term is defined in the Texas UCC) on the Property, and the Security Instrument upon being filed for record in the real estate records shall operate also as a financing statement upon such of the Collateral that is or may become fixtures.
8. A copy of this Security Instrument, which is signed by Debtor, may also serve as a financing statement under the Texas UCC between Debtor and Secured Party, whose addresses are set forth herein.
9. So long as an amount remains unpaid on any indebtedness secured by the Security Instrument, Debtor shall not execute and there shall not be filed in any public office any financing statement

506-86-1821

or statements affecting the Collateral other than financing statements in favor of Secured Party hereunder, unless the prior written specific consent and approval of Secured Party shall have first been obtained.

10. Secured Party is authorized to file in jurisdictions where this authorization will be given effect a financing statement signed only by Secured Party. Debtor shall join Secured Party in executing one or more financing statements pursuant to the Texas UCC in form satisfactory to Secured Party and shall pay the cost of filing the same or filing or recording the Security Instrument as a financing statement in all public offices at anytime and from time to time whenever filing or recording of any financing statement or the Security Instrument is deemed by Secured Party to be necessary or desirable. Any carbon, photographs, or other reproductions of this document may be filed by Secured Party and shall be sufficient as a financing statement.

11. Debtor further warrants and represents to Secured Party that, except for the security interest granted hereby in the Collateral, Debtor is the owner and holder of the Collateral, free of any adverse claim, security interest, or encumbrance, and Debtor agrees to defend the Collateral against all claims and demands of any person at any time claiming the same or any interest therein, except rights of tenants to use thereof and subject to the other matters set forth herein. Debtor further warrants and represents that Debtor has not heretofore signed any financing statements in connection with the Collateral and that there are no financing statements signed by Debtor now on file in any public office.

E. OCCUPANCY OF PROPERTY.

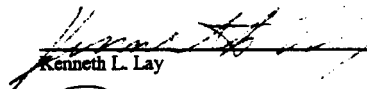
The first sentence of Paragraph 6 of the Security Instrument is modified and amended as follows: "Borrower shall occupy, establish, and use the Property as Borrower's principal residence within thirty days after August 1, 1997, and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy."

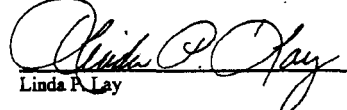
G. TERMINATION OF CONSTRUCTION LOAN RIDER

So long as Borrower is not in default under the terms of the Note, the Agreement, the Contract for Improvements, or the Security Instrument, and provided that Borrower has completed the improvements described in the Agreement, this Rider shall terminate after the advance of all funds as necessary to complete the construction of the Improvements as described in the Agreement, or the Rollover Date as defined in the Note, whichever is later, and this Rider shall no longer be in effect.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Construction Loan Rider to Security Instrument and Security Agreement.

BORROWER:


Kenneth L. Lay


Linda P. Lay

CUSTOM MORTGAGE RIDER
(TO BE RECORDED WITH DEED OF TRUST)

506-86-1822

This Custom Mortgage Rider ("Rider") dated this 10th day of January, 1996, shall be deemed to amend and supplement the Deed of Trust (the "Security Instrument") dated January 10, 1996 given by the undersigned (the "Borrower") to secure Borrower's Note to NATIONSBANK OF TEXAS, N.A. ("Lender") of even date herewith ("Note") covering the Property described in the Security Instrument and known as or located at: 2121 Kirby Drive, 33rd Floor, Houston, Texas 77019 ("Property"). Defined terms used in this Rider shall have the meaning set forth in the Security Instrument unless otherwise indicated.

ADDITIONAL COVENANTS

In addition to the covenants made in the Security Instrument, Borrower further covenants and agrees as follows:

1. **Hazardous Substances.** BORROWER SHALL INDEMNIFY LENDER AND TRUSTEE AGAINST, AND REIMBURSE THEM ON DEMAND FOR, ANY AND ALL LIABILITIES, COSTS AND EXPENSES (INCLUDING WITHOUT LIMITATION REASONABLE FEES AND EXPENSES OF ATTORNEYS AND OTHER PROFESSIONAL CONSULTANTS AND EXPERTS) OF EVERY KIND WHICH MAY BE INCURRED BY LENDER OR TRUSTEE AS A RESULT OF THE PRESENCE OF ANY HAZARDOUS SUBSTANCE ABOUT THE PROPERTY, OR THE MIGRATION OR RELEASE OR THREATENED MIGRATION OR RELEASE OF ANY HAZARDOUS SUBSTANCE ON, TO, FROM OR THROUGH THE PROPERTY, AT ANY TIME DURING BORROWER'S OWNERSHIP OF THE PROPERTY, OR ANY ACT, OMISSION OR EVENT EXISTING OR OCCURRING IN CONNECTION WITH THE HANDLING, STORAGE, REMOVAL OR DISPOSAL OF ANY SUCH HAZARDOUS SUBSTANCE OR ANY VIOLATION OF ANY ENVIRONMENTAL LAW OR THE FILING OR IMPOSITION OF ANY ENVIRONMENTAL LIEN OR CLAIM AGAINST THE PROPERTY AS A RESULT OF THE ABOVE OCCURRENCE.
2. **No Other Liens.** Borrower will not, without the prior written consent of Lender, except as otherwise specified by applicable law, grant, suffer or permit any contractual or non-contractual lien on or security interest in the Property, except in favor of Lender, or fail to promptly pay when due all lawful claims, whether for labor, materials or otherwise. To the extent applicable law allows the creation of liens against the Property, Borrower will advise Lender in writing within ten (10) days of the creation of any such liens against the Property. Provided however, Borrower shall have the right to contest in good faith the validity of any mechanic's or materialman's lien or other non-contractual lien, provided Borrower shall first furnish Lender a bond or other security satisfactory to Lender in such amount as Lender shall reasonably require, but not more than two hundred percent (200%) of the amount of the claim, and provide further that Borrower shall thereafter diligently proceed to cause such lien to be removed and discharged.
3. **Financial Statements/Appraisals.** Lender may at its option obtain once in each year (or as otherwise requested by Lender) an appraisal of the Property or any part thereof prepared in accordance with written instructions from Lender by a third party appraiser engaged directly by Lender if any of the following occur as determined by Lender in its sole discretion: (a) a Default has occurred and is continuing; (b) an adverse change has occurred in real estate market conditions in the area where the Property is located; (c) an appraisal is required or recommended by bank examiners and/or auditors or pursuant to banking regulations or bank policy then in effect; or (d) an adverse change has occurred in the financial condition of Borrower. Each such appraiser and appraisal shall be satisfactory to Lender. To the extent not prohibited by applicable law, the cost of each such appraisal shall be payable by Borrower to Lender on demand (which obligation Borrower hereby promises to pay). Without limitation of other or additional requirements in any of the other Loan Documents, Borrower will furnish to Lender, upon request by Lender, in form and detail satisfactory to Lender, a financial statement of Borrower no later than ninety (90) days after the anniversary date of the immediately preceding financial statement received by Lender. Each financial statement submitted pursuant to this section shall be certified in writing as true and correct by Borrower. Borrower will furnish to Lender at Borrower's expense all evidence which Lender may from time to time reasonably request as to compliance with all provisions of the Note, Security Instrument as supplemented by this Rider, and any other documents provided by Borrower to Lender or executed in connection with the loan evidenced by the Note (collectively the "Loan Documents").
4. **Effective as Financing Statement.** The Security Instrument shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records of each city or county where the Property (including said fixtures) is situated.
5. **Construction Mortgage.** The Security Instrument constitutes a "Construction Mortgage" as defined in the Uniform Commercial Code adopted by the jurisdiction in which the Property is located to the extent that it secures an obligation incurred for the construction of improvements including the acquisition cost of the land.
6. **No Liability of Trustee.** The Trustee, where applicable, shall not be liable for any error or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever (including Trustee's negligence), except for Trustee's gross negligence or willful misconduct. BORROWER WILL REIMBURSE TRUSTEE FOR, AND SAVE HIM HARMLESS AGAINST, ANY AND ALL LIABILITY AND EXPENSES WHICH MAY BE INCURRED BY HIM IN THE PERFORMANCE OF HIS DUTIES. THE FOREGOING INDEMNITY

506-86-1823

SHALL NOT TERMINATE UPON DISCHARGE OF THE SECURED INDEBTEDNESS OR FORECLOSURE, OR RELEASE OR OTHER TERMINATION OF THE SECURITY INSTRUMENT.

7. **Entire Agreement; Further Assurances.** The Loan Documents constitute the entire understanding and agreement between Borrower and Lender with respect to the transactions arising in connection with the indebtedness secured hereby and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect to the matters addressed in the Loan Documents. Borrower will, promptly on Lender's request, execute, deliver, procure and/or file such further documents, and take such further action as is necessary, desirable or proper to carry out more effectively the purposes of the Loan Documents, to correct any defect in the Loan Documents, or to more fully identify and subject to the Security Instrument any property intended to be covered by the Security Instrument.

By signing below Borrower accepts and agrees to the terms and covenants contained in this Rider.

EXECUTED this 10th day of January, 1996.

BORROWER:


Kenneth L. Lay


Linda P. Lay

RENEWAL AND EXTENSION ADDENDUM

506-86-1824

THIS RENEWAL AND EXTENSION ADDENDUM is attached to and made a part of the Deed of Trust (the "Security Instrument"), from KENNETH L. LAY AND LINDA P. LAY ("Borrower") to Michael F. Hord, Trustee, for the benefit of NATIONS BANK OF TEXAS, N.A., a national banking association ("Lender"), given to secure a note in the original principal amount of \$4,500,000.00, of even date herewith, executed by Borrower, and payable to the order of Lender (the "Note").

A. Contract for Improvements. Borrower and C. C. ROUSE BUILDING CORPORATION, DOING BUSINESS AS TYNES SPARKS BUILDING CORPORATION ("Contractor") have entered into a Contract for Improvements (With Transfer of Lien) of even date herewith which describes certain improvements to be made to the Property (as defined in the Security Instrument). Under the Contract for Improvements, Borrower granted to contractor a lien on the Property which Contractor has transferred and assigned to Lender. To the extent of \$2,850,000.00, the Note shall be used to pay for the improvements to be made by Contractor pursuant to the Contract for Improvements. Borrower expressly acknowledges that the lien and all other interests in the Property granted to Contractor and assigned to Lender by the Contract for Improvements is for the sole benefit of Lender, that the lien is valid, that it subsists against the Property, that by this Security Instrument it is renewed and extended in full force to secure payment of the Note, and that it may be enforced by Lender in accordance with the terms of the Security Instrument.

Borrower acknowledges that by the Security Instrument, Lender and Lender's successors and assigns are subrogated to all rights, titles, powers, estates, security interests, and liens granted to Contractor under the Contract for Improvements.

B. Renewal of Vendor's Lien and Deed of Trust. To the extent of \$1,600,000.00, the Note secured by this Security Instrument renews, extends and refinances the balance (which may include accrued interest) that Borrower owes on a note in the original principal sum of \$1,650,000.00, dated January 31, 1995, executed by Kenneth L. Lay and Linda P. Lay, payable to the order of Nations Bank of Texas, N.A., a national banking association, and secured by two instruments, both of which create liens against the Property: a deed retaining a vendor's lien recorded under Harris County Clerk's File No. R253679, Official Public Records of Real Property of Harris County, Texas; and a deed of trust recorded under Harris County Clerk's File No. R253680, Official Public Records of Real Property of Harris County, Texas. Borrower acknowledges that the liens securing the refinanced note are valid, that they subsist against the Property, and that by this Security Instrument they are renewed and extended in full force until the Note is paid.

Borrower acknowledges and agrees that this renewal, extension and refinance shall not be considered a novation of account or a new contract but that all rights, titles, powers, liens, security interests, and estates created by the refinanced note and liens securing it constitute valid and subsisting obligations and liens against the Property. Borrower also acknowledges that by this Security Instrument, Lender and Lender's successors and assigns are subrogated to all rights, titles, powers, estates, security interests, and liens that accrued to the original holder and owner of the refinanced note.

BORROWER:

 Kenneth L. Lay


 Linda P. Lay

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, TRANSFER, OR USE OF THE FOREGOING REAL PROPERTY BECAUSE OF COLOR OR RACE IS HEREBY AND UNREPEALABLY DEEMED VOID. LAY AND LINDA P. LAY (THE STATE OF TEXAS), COUNTY OF HARRIS.

I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time stated herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas.

JAN 19 1996



 BEVERLY L. LAYMAN
 COUNTY CLERK
 HARRIS COUNTY TEXAS